



8:30 p.m., E.W.T., AUGUST 30, 1945

Town Meeting



Bulletin OF AMERICA'S
TOWN MEETING OF THE AIR
Sponsored by THE READER'S DIGEST

How Can We Make Jobs for All Now?

Moderator, GEORGE V. DENNY, JR.

Speakers

DONALD NELSON
HUGH B. MITCHELL

VICTOR REUTHER
EDGAR C. HUMMEL

DONALD KINGSLEY

(See also page 12)

COMING SEPTEMBER 13th

Topic to be announced later pending
current events.

TUNE IN EVERY THURSDAY, AMERICAN BROADCASTING COMPANY—8:30 p.m., E.W.T.



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THE BROADCAST OF SEPTEMBER 13:

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Town Meeting

Bulletin of America's Town Meeting of the Air



George V. Denny, Jr., Moderator

How Can We Make Jobs for All Now?

Announcer:

The Reader's Digest, America's most widely read magazine, welcomes you to another stirring session of America's Town Meeting, the program that gives you both sides of issues affecting your life and mine. America's Town Meeting is produced by Town Hall of New York, and tonight we are the guests of a Town Meeting host committee here at the Civic Auditorium in Pasadena, California, where five authorities discuss a topic that involves the economic future of the entire country.

Now, to open this important session, *The Reader's Digest* brings you the president of Town Hall and moderator of America's Town Meeting, Mr. George V. Denny, Jr. (*Applause.*)

Moderator Denny:

Good evening, neighbors. What's the first question you hear returning servicemen ask? What's the question they are asking in army

posts all over the world? What's the question warworkers are asking as they turn away from the closed doors of war plants throughout the country?

Yes, we all know the answer. They want to know where they can find jobs. Jobs for all who want to work is the number one problem before America today and in the days ahead.

So tonight, your Town Meeting is bringing you the first in a series of programs on problems of re-conversion under the title, "How Can We Make Jobs for All Now?"

Mr. Donald Nelson, former chairman of the War Production Board and now president of the Society of Independent Motion Picture Producers; Senator Hugh B. Mitchell of the State of Washington; Mr. Victor Reuther, director of the War Policies Division of the United States Automobile Workers, C.I.O.; and Mr. Edgar C. Hummel, vice-president and general manager of the Utility

Electric Steel Foundry; and Mr. Donald Kingsley, deputy director of the United States Employment Service will serve as our authorities. To give us a background on tonight's question, and to state the Government's position on this problem, we are very happy to present as our first speaker, Mr. Donald Kingsley. (*Applause.*)

Mr. Kingsley:

In the months following Pearl Harbor, we fundamentally changed our national economy. Entire new industries employing millions of workers sprang into being, and great civilian industries like automobiles, refrigerators, and radios disappeared for the duration.

At the peak of our war effort, our war production equaled that of the rest of the world combined. To achieve this record production new plants were built, old plants transformed, millions of new workers recruited and other millions transferred, materials allocated, and workers directed to essential work.

In answer to the needs of war, seven million workers who had never worked before took jobs. Nearly four million migrated to other states. Millions more were transferred from civilian industries to war plants.

With victory our problems continue. Plants and facilities must be reconverted, civilian industries reestablished, workers transferred

from war to civilian plants, and from swollen wartime communities to peacetime centers of industry and trade.

All of this takes time, and time is of the essence. The first concern of the Government has been to speed the reconversion process. The day after Japan surrendered all manpower controls were eliminated. Gas rationing was abolished. Transportation restrictions were modified. And orders limiting the use of materials in such civilian products as automobiles, washing machines, and refrigerators were lifted.

The first phase of the Government's program was one of clearing the wartime decks so that private enterprise can go into action and provide jobs.

But, this was not enough. There were still bottleneck problems. Some materials—lumber, for example—and some components were dangerously short to meet the needs of reconversion. So the office of war mobilization and reconversion established an interagency committee to give positive assistance in such bottleneck situations.

The United States Employment Service, with its national network of local offices and its knowledge of the job outlook in every community in the country, undertook the task of guiding the thousands of stranded migrant warworkers to new locations where job prospects are better. In many communities,

the USES has taken the lead in stimulating local job planning, and in every community it has placed at the disposal of local management and labor groups its comprehensive labor market information.

Finally, our national employment service has undertaken the important task of finding new jobs for our returning veterans.

During this transition period two great dangers confront us. There is a danger that the forced idleness of a substantial part of our working population will impair the purchasing power upon which our later market for civilian production depends. Because of this danger, President Truman has recommended to the Congress the expansion of Social Security coverage and an increase in unemployment compensation benefits.

Enactment of such an expanded program will provide a cushion of purchasing power against the day when new cars, new refrigerators, and new vacuum cleaners flow in volume from our assembly lines.

The second danger is psychological. It is that we will again become afraid of our own productive powers, and our own ability to provide jobs for all.

It is in the light of this danger that adoption by Congress of the Wagner-Murray Full Employment Bill would be particularly significant, for it would be an an-

nouncement to all that the people of this country, whether representing management, labor, or government, never again intend to permit continued mass unemployment in America. (*Applause.*)

Moderator Denny:

Thank you, Mr. Kingsley, for a statement of the government's position. Now, for an over-all statement of principles, let's hear from the man who for two and half years served as chairman of our War Production Board, coordinating the tremendous productive capacities of this country into a gigantic war machine, Mr. Donald Nelson, now president of the Society of Independent Motion Picture Producers. Mr. Nelson, how can we make jobs for all now? (*Applause.*)

Mr. Nelson:

Mr. Denny, I know we can make jobs for every able-bodied man and woman in this country who wants to work. We can add mightily in bringing prosperity to the people of other countries if we will follow certain principles during this period of reconversion that we followed during the war.

I can only give you a bird's-eye view of these principles, but here they are. The first thing we must remember is that jobs come as a result of people working together to produce things and services for the rest of us.

During the war it is the Govern-

ment which furnishes the initiative and provides the market for most of our production. During peacetime, in our kind of economy, it is individual enterprise, the imagination, ingenuity and skill of groups of men and organizations that must furnish the initiative. A year ago today, as a government official, and for two preceding years, I was doing my utmost to increase the productive capacity of this country for war. Today I am associated with a group of men who have done their war job well and are now applying their resources and skills to the business of making more and better motion pictures for a larger and larger market at lower cost. In doing this they will help create jobs for more people.

This is one of the first principles we must observe. Managers of industry must think in terms of making more goods at lower prices, not by reducing wages or creating lower standards for labor, but by using initiative and ingenuity to reduce the cost of production and distribution.

Industry must get more and more goods to the public at prices the public can afford to pay. Industry must find a way to cooperate with labor through labor management committees, such as were used so successfully during the war.

Industry must decentralize, and must expand in some of the sec-

tions of the United States which before the war had less than their proper share of industry.

Expansion must take place on the Pacific Coast, in the Southeast, and in the Southwest, particularly. In an expanded economy, industry must take chances and they must not be penalized for taking chances, and this brings us to Government.

Our tax system must be revised. The Government must give every encouragement to private industry to expand and to do more business. The Government must not compete with industry in production or in the precipitant sale of the tremendous surpluses which have accumulated from the war. Contracts with industry must be terminated promptly and inventories gotten out of plants.

Government must make available at once machine tools and facilities which the Government owns and which industry needs in order to produce more for expanded economy.

The Government must do all it can to prevent monopoly in industry. Monopolistic practices contract our economy whereas we must expand it.

And there are certain principles which labor must follow if we are to have jobs for all. Labor must think in terms of expansion, not contraction. Jurisdictional disputes seldom ever help the employee, but always hinder production. Machin-

ery must be set up to stop jurisdictional disputes which are always destructive. Labor must do away with restrictions which they place on production. Featherbed practices must be abolished.

Labor must realize that it is not a question of how much we pay per hour or per day of work. It is the labor cost on each item that really counts.

These principles can be applied in building more homes, more furniture, more radios, more things to reduce the amount of work that has to be done in homes—such as washing machines, vacuum cleaners, refrigerators. They can be applied to produce more automobiles and the greatest system of transportation by land, sea, and air that the world has ever known.

I'm sure, Mr. Reuther, you and the other members of our panel cannot take exception to these principles, the most important of which I want to repeat in conclusion is that American business, with the cooperation of labor, management, and government, must produce more goods at lower costs and sell them to more people in this country and throughout the world. (*Applause.*)

Moderator Denny:

Thank you, Donald Nelson, for a challenging and simplified statement of principles that ought to be a help to this discussion. Now, here is your old friend, Victor Reuther, director of the War Pol-

icy Division of the United Automobile Workers, C.I.O., who will, I expect, inject a note of controversy into this discussion. Mr. Reuther. (*Applause.*)

Mr. Reuther:

I'm really very encouraged, Mr. Nelson, by your forceful and convincing argument that Government apply the lessons it has learned from war production to the task of providing jobs for all in peacetime, for, as you well know, our gigantic war production program would have been impossible without Government's coordination.

Unfortunately, far too many in business and, I might add, in the Halls of Congress, have a touching faith that, if only Government would leave business completely alone, through some miraculous manner we shall drift into a peacetime economy of full production and full employment.

Now, labor no more than you, Mr. Nelson, shares that naive hope. That's why labor and many veteran organizations and others are vigorously pressing for speedy passage of the Murray Full Employment Bill which provides, however, at best only the framework for future concrete action and specific programs. But of course it will require more than the passage of another law.

To begin with, as Mr. Nelson said, we need to apply our wartime experiences. We must set up a peace production board to coor-

dinate our peacetime offensive against the new enemy—unemployment and economic insecurity. Under this board we must establish industry and area councils composed of government, management, labor, agriculture, and the consumer representatives for down-to-earth planning at the industry plant and community level.

That's the machinery for the management-labor cooperation Mr. Nelson expounds. Under this peace production board there must also be a system of public authorities, comparable to the TVA, for the purpose of launching vast programs for river valley development, slum clearance, health and recreational centers, and in general for undertaking those broad tasks of national reconstruction which private enterprise alone cannot hope to accomplish.

Now during the wartime years public enterprise—not private—and public investment has made possible a vast expansion of our industrial facilities. The aircraft industry developed from 44th peacetime industry in 1939 to the Number One industry in our economy with over two million workers.

Now at the best there will be permanent postwar jobs for but 250,000 in the aircraft industry. What of the 1,750,000 jobless, vast numbers of whom are returning veterans.

The answer for them and their millions of jobless buddies lies in

the using of these vast war plants most of which can be used for providing jobs for all. Will they be used?

The Willow Run Local of the United Auto Workers, C.I.O., has pointed out that the public authorities similar to TVA can operate these strategically located and ultramodern facilities for the mass production of low cost housing and lightweight streamlined railroad rolling stock.

The feasibility of this plan has not been controverted but it has been given the silent treatment. Because it subordinates the vested interest in both the building and railroad industries to considerations of national interest, the plan declares that the national interest would be served by putting modern housing within the economic reach of millions of American families of low income who have always been ignored by private builders.

It points out that the whole economy would be given a lift by use of the most modern rolling stock permitting an increase in the pay load and the drastic scaling down of transportation costs. Such a program would make a substantial contribution to our full employment budget.

In addition, we must achieve a wage - price - profits relationship which puts ever more purchasing power into the pockets of low-income families who together con-

stitute the greatest market of the vast production machine.

Profits should come through the reduction of unit costs which result from capacity operations and constant technical improvements. Prices must be held or lowered while the benefits of technological progress and increased labor productivity must be passed on to labor in the form of higher wages and shorter hours, and as well to the consumer.

Unparalleled war profits and favorable government tax provisions already enable industry to initiate such a policy now.

Labor also must be taken out of competition by industry-wide wage agreements based on the principle of equal pay for equal work regardless of geographical areas.

Above all, we cannot lie back and wait complacently for the supposed great backlog of savings and pent-up demands to assert themselves, for out of the total of 165 billion dollars of government bonds now outstanding 105 billion are held by institutions and only 25 billion dollars are War Savings Bonds held by individual consumers. There is not a sufficient backlog of purchasing power to finance a lasting postwar boom.

Our task as a Nation is one of converting our wartime tools for destruction into peacetime tools of plenty, and to provide enough purchasing power to consume the products of these tools.

Labor stands ready to help America to do this job knowing that there is no other way to uproot the causes of war and fascism and clear the road for a march to abundance and peace. (*Applause.*)

Moderator Denny:

Thank you, Victor Reuther. I certainly must congratulate those first three speakers for condensing an awful lot of material into a very short space of time. If the other two speakers do as well, we'll have a lot to think about.

Mr. Nelson has suggested that business must expand westward, so tonight we have a vigorous spokesman for western industry, the vice president and general manager of the Utility-Electric Steel Foundry Company and president of the Metal Trade Manufacturers' Association of Southern California, Mr. Edward C. Hummel. Mr. Hummel. (*Applause.*)

Mr. Hummel:

I am heartily in agreement with all Mr. Nelson has said and some of the things which Mr. Reuther has said. Mr. Reuther believes that Government can play a greater part in creating a society of full employment and abundance than I do. I am suspicious, Mr. Reuther, of any plan by which Government starts out with the sole objective of creating jobs.

I agree with Mr. Nelson that jobs come as a result of some people working together to produce

goods and services for the rest of us, and that during peacetime the initiative must be provided by private individuals with skill and imagination who are spurred on by the profit motive.

No section of the American people is more vitally concerned with the necessity of jobs for all than those of us who are engaged in the manufacturing industry. Why? It's obvious.

If people don't have jobs, manufacturers can't sell their products. In its own self-interest, industry must encourage every sound method of promoting the highest possible level of employment.

For the same reason industry approves high wages, increased standards of living, and economic and social progress. However, Mr. Reuther, workers throughout the country must turn in the highest possible productivity for man-hour of work. This develops low unit cost for the goods they make and builds up high wages for themselves.

If we are to maintain and increase standards of living, prices must be kept down by keeping costs down. The workers of the country themselves will write that ticket.

Mr. Reuther has just said he doesn't believe there is a sufficient amount of purchasing power to carry us through the reconversion period. Just let me give you some figures I got this morning from a responsible treasury official. The

total amount of Series E War Bonds which are limited exclusively to individuals, on July 31, was in excess of 40 billions of dollars.

Do you know how much loose cash there is in the pockets of all the people in the country today? I can tell you. It's approximately 26 billions of dollars.

What was it in normal times? Approximately six or seven billions of dollars.

This treasurer told me this morning, in addition to that, that the time-savings deposits of the people, in the banks of the country, amount to approximately 22 billion dollars more of buying power. This is about three times the amount in normal periods. This excludes the amount of money in checking accounts, the value of life insurance policies, and the cash available from marketable securities. Certainly it is more liquid purchasing power than is necessary to carry us through any foreseeable period of reconversion.

Industry is moving ahead with positive confidence. A recent survey among several thousand manufacturing countries indicated that at no time during even the top of reconversion would employment drop below prewar levels. When they get going again, they will employ 30 per cent more people than they did in 1939.

Over 60 per cent of these companies have practically no reconversion problems at all, and only 11 per cent of all manufacturers

will require in excess of 30 days to get started on peacetime production. Those companies requiring more than 30 days to recon-vert indicate they expect to have all their employees back to work within 12 weeks.

No, Mr. Reuther, I cannot agree with you that we are approaching mass unemployment running into millions.

In the light of these facts, you can see why industry is opposed to legislation requiring the Federal Government to guarantee to unemployed workers \$25 a week or the difference between this amount and the credit they received from their respective states for 26 weeks out of the year.

How can you expect industry to accomplish its full part in employment if Government makes it more attractive for people to loaf? (*Applause.*) I hope it may be made clear to everyone in the months ahead that loafing is unattractive, unprofitable, and unpatriotic. (*Applause.*)

This applies equally to capital, management, and labor. Capital must be invested in new plants and expand old ones in all the channels of business. If capital chooses to remain idle to the detriment of expanding needs, it should be penalized. (*Applause.*)

Management must produce the maximum goods, distribute them economically, and be satisfied with

the smallest unit of profit consistent with financial soundness.

Management must assume responsibility for the welfare of its employees, share ideas on products and plans, and fully acquaint its workers with what happens to earnings.

And while we are on this subject, Mr. Reuther, why shouldn't labor unions be a little more open about their financial affairs and policies? (*Applause.*)

I am delighted that Mr. Nelson emphasized housing and related industries as a rich field for more jobs. One of the largest and most important outlets for employment lies in the construction industry. Industrial properties first, as they provide jobs, and then millions of private homes. This industry will use immense amounts of material and supplies and give jobs to hundreds of thousands.

Individual enterprise is not afraid of its responsibilities, but we must have the whole-hearted cooperation of all the people to do our part in producing jobs for all those who want to work now. (*Applause.*)

Moderator Denny:

Thank you, Mr. Hummel. Well, it looks like we are going to have a little argument after all. You have all spoken on what Government should do. Now we have a United States Senator who has been traveling all over the country studying the problems of reconver-

THE SPEAKERS' COLUMN

VICTOR G. REUTHER—Still in his early thirties, Victor Reuther of Detroit, Mich., is assistant director of the United Automobile Workers, C.I.O. Mr. Reuther was one of the first international representatives of the U.A.W. He has been a delegate to all conventions of the U.A.W. unions, and has served as chairman of the Constitution Committee and the Resolutions Committee. For almost three years, beginning in February, 1933, Victor Reuther and his brother Walter traveled through England, France, Germany, Russia, China, and Japan, working in plants and observing the production methods and social and economic conditions of these countries.

A member of the Policy Committee of the Labor Production Division of the War Production Board in Washington, Mr. Reuther also served on the Detroit Transportation Committee, the Detroit Vocational Training for Warworkers Advisory Committee, and the Detroit District War Manpower Policy Committee.

DONALD MARR NELSON—Donald Nelson, now president of the Society of Independent Motion Picture Producers, was formerly chairman of the War Production Board. Mr. Nelson was born in Hannibal, Missouri, in 1888, and received his B.S. degree from the University of Missouri in 1911.

In 1912, Mr. Nelson became a chemical engineer with Sears, Roebuck & Co. in Chicago. After nine years he became manager of the men's and boys' clothing department. In 1926 he became assistant in the general merchandise office, and was promoted to general merchandise

manager a year later. In 1930 he was made vice president in charge of merchandising and from 1939 until he resigned to become chairman of WPB, was executive vice president and chairman of the executive committee.

During the war years, Mr. Nelson also has been at various times acting director of procurement for the Treasury Department; coordinator of national defense purchases; director of purchases in the Office of Production Management; executive director of the Supply Priorities and Allocation Board; and director of priorities with the Office of Production Management. In 1944, Mr. Nelson went as an emissary from the United States to China to discuss military and economic problems with Chiang Kai-shek.

HUGH B. MITCHELL — When Mon C. Wallgren became Governor of Washington in January, 1945, he appointed Hugh B. Mitchell, 37, as United States Senator to fill out his unexpired term. Senator Mitchell, formerly a newspaperman, had been Governor Wallgren's secretary for 12 years. A Democrat, Senator Mitchell is now a member of the Mead Committee which is investigating problems of reconversion on the West Coast.

EDGAR C. HUMMEL—Mr. Hummel is vice president and general manager of Utility Electric Steel Foundry and a director of the National Association of Manufacturers.

DONALD KINGSLEY—Mr. Kingsley is a deputy director of the United States Employment Service.

sion with the Mead Committee for the past two weeks, the Honorable Hugh B. Mitchell, Democrat of the State of Washington. Senator Mitchell. (*Applause.*)

Senator Mitchell:

Mr. Nelson, Mr. Reuther, and Mr. Hummel all have ignored that old bugaboo of our economic system—business depression. All the business brains and genius of this country have failed to find a cure

for this economic cancer. In providing jobs for all now, we must take into consideration this fundamental problem and courageously attempt its solution.

As a member of the subcommittee which, in the Senate of the United States, is considering the full employment legislation, I think the Murray Full Employment Bill represents the first serious effort on the part of Congress to end depressions. (*Applause.*)

The Full Employment Bill has been pending in the Senate of the United States for months. It is but a step forward. It does not give the full answer, but it will help us attain that answer. It accepts for the Federal Government, for the first time, the responsibility for controlling the economic curve and thus eliminating business cycles.

Under the proposed bill, the President will supervise the preparation of a national budget to provide full employment volume of production. In Congress there will be established a joint committee on the national budget to facilitate the handling of emergency legislation.

Thus, Congress would take the lead in providing the type of planning board advocated by Mr. Reuther.

The Mead Committee investigation of reconversion problems brought me to the West Coast. The hearings which we have had indicate to me that business in general is depending greatly upon the Federal Government. The testimony does not support the contention that everything will be all right if business is only left alone or given some slight tax assistance. When business talks to the committee, it outlines a vast field in which Government help is necessary.

One of the most important fields for government action today is the disposal of surplus property. Con-

gress passed a surplus property bill in October of 1944. This law among other things called upon the Surplus Property Board to write a definite program for the disposal of government aluminum plants within three months after the passage of the act. Yet today, ten full months later, no final and definite program has been adopted.

I charge that this slowness of the Government is caused by the conflicting attitudes of industry itself, and so today instead of having some ready-made transition program, we must still search out a way to get the aluminum plants into production and thus into the job-making business.

We, in the Pacific Northwest, have the makings of a great new light-metals industry. The Nation spent some \$150,000,000 in building aluminum production facilities. It can now utilize these facilities to promote peace by increasing the total of national wealth. It can use them to promote a better regional economy. It can use them as the tools in the vehicles of full employment.

This reconversion, however, calls for a planned transition from war to peace production. Industry finds itself unprepared to accept the responsibility for peacetime production when it is not sure of immediate aluminum markets. Four great industrial companies told my committee they were confident of eventual demand for light metals,

but they could not recommend that their companies assume the tremendous initial expense of purchasing outright the war facilities now available for peace.

So the question becomes one of whether the National Government will assume some of the risks entailed in the research and production costs of this new industry. As a Nation we have never determined what it would mean if all the trains and trucks were made of aluminum and the freight savings passed on to the consumer.

Why not lease these war facilities on a profit-sharing basis. In two, three, or four years, the Government would know the true sale value of the property and the company would know the value of the facility in the light of the market requirements.

The Government's answer is being made in Washington today. It's being drafted by the Surplus Property Board. On its answer will depend the decision as to whether we will write a hard peace or a soft peace for ourselves.

We must and will write a good and prosperous peace for our people. The great productive facilities into which we have poured the efforts, the skill, the knowledge, the money of our people, must be used as an instrument of peace and a well of happiness for all people.

We must face these questions of demobilization or remobilization of the greatest productive capacity

ever achieved by a single people in history. These factories and facilities are here. They were created by the needs of war. But they must be productive of peacetime jobs, peacetime goods, and peacetime enterprise.

Today this Nation has a responsibility above that of any other nation. This was impressed upon me when I was in Norway not so many weeks ago. A Norwegian official told me, "We are watching the United States. You know," he said, "Norway is looking to the United States to prove by its own full employment that democracy has the answer to the economic questions of thoughtful peoples everywhere." (*Applause.*)

Moderator Denny:

Thank you, Senator Mitchell. Well, you gentlemen have certainly laid the foundation for a good discussion and a great many questions. I see the assistant moderators out in the audience buzzing around very excitedly, so I expect there are a great many here in this representative Pasadena audience. In the meantime, let's pause briefly for station identification.

Announcer:

You are listening to America's Town Meeting, the program that gives you both sides of questions vitally important to you, sponsored by the most widely read of all magazines, *The Reader's Digest*. Tonight, Donald Nelson, Senator

Hugh B. Mitchell, Victor Reuther, E. C. Hummel, and Donald Kingsley are discussing the topic "How Can We Make Jobs for All Now?"

For a complete copy of this discussion, including the question

period immediately following, send for the Town Meeting Bulletin. Just write to Town Hall, New York 18, New York, and enclose 10 cents to cover the cost of printing and mailing. Now, Mr. Denny.

QUESTIONS, PLEASE!

Mr. Denny: Now we're ready for the questions. Tonight we're making a slight change in our procedure and we're using hand microphones down here in the audience in the Pasadena Civic Auditorium, instead of our customary parabolic microphones. I'll walk up and down these aisles, first on one side of the hall and then the other and carry this little microphone right directly to the questioners who want to ask questions of the speakers and the speakers will answer from the platform. I'm standing here beside a very handsome man with a lovely brown coat and a beautiful red tie on. He happens to be Mr. Henry Kearns, the president of the United States Junior Chamber of Commerce. Let's give him a hand. (*Applause.*) Mr. Kearns, welcome to our Town Meeting.

Mr. Kearns: I'd like to direct my question to Senator Mitchell, if you please. Referring principally to small business that normally supplies 60 to 70 per cent of employment, in your opinion, are government controls a better an-

swer to full employment than encouragement to private business through re-establishment of the profit motive? This has been lost in the squeeze in many cases between price ceilings and increased costs.

Mr. Denny: He asks a mean question, Senator Mitchell.

Senator Mitchell: I think the only answer to that is a combination of Government and industry. Certainly the profit motive is the basis for the development of our economic system. It must be continued and made a greater incentive. However, in the aluminum industry, concerning which I spoke tonight, it was monopoly operating in a profit atmosphere which kept that industry from developing into the size that we needed for this war. (*Applause.*)

Mr. Denny: Thank you, Senator Mitchell. Mr. Hummel, have you anything to add to that? Are you satisfied with that answer, Mr. Kearns?

Mr. Kearns: Yes.

Mr. Denny: All right. Fine.

We'll take the young lady right here in the red dress.

Lady: My question is to—

Mr. Denny: What is your name, please?

Lady: Carol Fisher.

Mr. Denny: And you live here in Pasadena?

Lady: No, I live in Sierra Madre.

Mr. Denny: Sierra Ma-where's that? (*Laughter.*)

Lady: Six miles east of here.

Mr. Denny: Oh, I thought it was in a foreign country. (*Laughter.*) Go right ahead.

Lady: My question is addressed to Mr. Nelson. Why shouldn't the Government compete with industry? Don't you think if the Government competed, there would be more people working?

Mr. Denny: Why shouldn't the Government compete with industry, Mr. Nelson? If it did, why wouldn't there be more people working?

Mr. Nelson: Well, if the Government starts competing with industry, in my opinion, there'd be fewer people working. (*Applause.*)

Mr. Denny: Thank you, Mr. Nelson. Here's a lady over here in the second aisle. Oh, has Mr. Reuther a comment? All right, Mr. Reuther. Go ahead.

Mr. Reuther: Yes, I should like to comment, I think. The answer to this whole question is that private industry will provide all the employment they possibly can but

they should not throw the monkey wrench in the plans for providing additional jobs which they cannot do. (*Applause.*)

Mr. Denny: You'd better stick there, Mr. Reuther. Here's another question coming up for you from a red-haired lady right here on the third row.

Lady: Mr. Reuther, don't most of those billions of savings belong to the top million of population and less than a billion belong to the lowest fifty million of population whose incomes are under \$1,000 a year and who are most apt to be out of work?

Mr. Denny: That question should have been directed to Mr. Hummel. But all right, Mr. Reuther and then Mr. Hummel will take it up.

Mr. Reuther: Well, I've presented some figures in line with what she said. Mr. Hummel presented some other figures, but I leave it to you and to the vast radio audience as to how many individual citizens in this country who are just ordinary people have enough in savings and War Bonds to tide them over the many months of unemployment they must face, especially in the vast war industries like aircraft, while you're trying to absorb these millions who are already on us here and the millions who are returning from the fighting fronts. Do you think they've got enough nest eggs put aside for that?

If they were treated as industry is treated today—if they were permitted to draw from a reserve fund set aside for such postwar contingency, the average worker today would have \$7,200 in savings, \$1,200 as a fund coming to him from the Government as a tax rebate plus an additional \$9,600 as earnings set aside against possible losses—a total of \$18,000. That's what the average worker would have today if he got the same break that industry has under our current tax provisions. (*Applause.*)

Mr. Denny: Mr. Hummel?

Mr. Hummel: The whole trouble with a lot of us when we attempt to analyze these problems, we throw figures around just as indiscriminately as leaves on the front lawn. (*Applause.*)

Now, it is a fact that a great many people who did not have the opportunity to work at profitable wages and at good wages and at steady employment found that employment by reason of this past very disastrous war. They saved their money and there are thousands of people leaving these large war plants, going back to their homes where they can start in business, buy a little property, or provide for themselves for the future.

Now, it is also a fact that the United States Employment Service offices throughout the country have applications for thousands of workers and no takers. People—prob-

ably rightfully, I don't know—are taking what they call "earned vacations." There are a tremendous number of jobs being fed into the system every day and there are no takers.

I tell you again, before you get involved in sanctioning and sponsoring all types of government employment projects and moan too much about this employment situation, just allow—I'm not saying let things drift—just allow the passage of a few more weeks to roll by and you'll be very much surprised with the small amount of unemployment.

After Pearl Harbor the country was very much upset about the great amount of unemployment that would result while the manufacturing plants were getting tool-ed up for war production. We were attempting all sorts and kinds of legislation. It wasn't necessary. We had a very minor problem with unemployment during the war years. Give business a chance. They have the money, they have the plants, and they'll do the job. (*Applause.*)

Mr. Denny: Thank you, Mr. Hummel. I wonder if Mr. Kingsley hasn't a comment to make about the situation regarding the number of jobs that are becoming available. Mr. Kingsley.

Mr. Kingsley: Well, it is true that the United States Employment Service offices have a fairly large backlog of unfilled job orders. However, we've been getting lay-

offs from industrial plants and we've been getting orders in the service trades and in other types of industries. There's always a problem of matching the worker to the job and having the right supply of workers for the right supply of jobs. At the moment, we're in a position of some disequilibrium on those two things. (*Applause.*)

Mr. Denny: Thank you. Now we'll take this gentleman here who looks like he's in the real estate business.

Man: I'm a real estate salesman. I'm directing my question to Senator Mitchell. Should not Congress have an economic council composed of our best economic experts like many European governments to advise Congress on economic legislation? It is safe to say that a large majority of our Representatives in Congress have never majored in economics while in school.

Mr. Denny: Well, that's a left-handed dig at the Congressmen. (*Laughter.*) All right, Senator Mitchell.

Senator Mitchell: I think you're absolutely right. I think that Congress should have a much stronger economic guiding group. Of course the full employment bill calls for a joint committee of the Senate and the House and allows that joint committee to set up a staff. That staff very well could be the committee which you suggest.

Mr. Denny: All right, thank you. We'll take the young lady here from way up in the balcony.

Lady: My question is directed to Mr. Hummel. Mr. Hummel, in the 1920's business was given a free hand and we had a crash. Why if business were given a free hand again, why wouldn't a crash occur again? (*Applause.*)

Mr. Denny: Just a pessimist, Mr. Hummel.

Mr. Hummel: I think that's a very fair question and I'll try my very best to answer it in just exactly the spirit in which it was asked. The conditions surrounding the operation of businesses today, the question of inventories, the extent of the products that they have to make, the extent of the markets, the people who have money to buy, and, furthermore, the lessons which business has honestly learned during the past 20 years, I'm satisfied will be applied much more wholesomely for the welfare of all the people than ever before in the history of our country. (*Applause.*)

Mr. Denny: Thank you, Mr. Hummel. Take this gentleman here.

Man: Addressing Mr. Nelson. Since you've shown ability equal to that of a wizard, we would like to know what your plan is for the disposal of all the surplus war goods?

Mr. Denny: In two minutes, Mr. Nelson.

Mr. Nelson: Well, sir, it isn't my responsibility to dispose of those war goods. But I think it can be done very advantageously.

I just wish I had the time to tell you some of the ideas I've had for the disposal of those war goods so that they would produce more goods for us. But unfortunately, the time wouldn't permit.

Mr. Denny: Thank you, Mr. Nelson. Here's a young man with an honorable discharge button on his coat.

Man: Mr. Reuther.

Mr. Denny: All right, Mr. Reuther—lounging so lazily there in his chair. Get up and come to the front and take it.

Man: Mr. Reuther, if individual enterprise doesn't furnish full employment for the people of this country, if the Government would take over the surplus plants and operate them—making civilian goods—would that not furnish a yardstick for both wages and production of goods and unemployment—sort of a Detroit TVA?

Mr. Denny: That's a leading question for him.

Mr. Reuther: Yes, and it's a very good question, I think. Labor certainly favors the Federal Government operating strategic plants, particularly in those monopolistic and semimonopolistic industries—operating them, federally-owned or under some authority similar to TVA, and using them for yardstick purposes. There's no reason at all why that can't be done. (*Applause.*)

Mr. Denny: I thank you, Mr. Reuther. Now the young gentleman here.

Man: May I just ask a question of Mr. Reuther? Where is the Government going to get the men to run those plants? (*Applause.*)

Mr. Reuther: Well, for one thing, I believe there are a lot of boys in uniform who have demonstrated a great deal of leadership and initiative who'd like an opportunity to come back and lead in a new field (*applause*), and I think some of them would make mighty good managers.

The great Willow Run bomber plant that once employed 38,000 workers near Detroit—the Ford Motor Company announces it is expendable; we can just forget about it. No one as yet has purchased it or indicated they have plans to. If private industry has no plans for these facilities, then the Federal Government which operated then in wartime to help us win a military victory ought to provide the necessary leadership in peacetime to help us win the fight against unemployment. (*Applause.*)

Mr. Denny: Thank you.

Mr. Hummel: I don't want to be standing up here at the microphone monopolizing this talk, but some of this conversation just gets out of line.

Mr. Denny: Go right ahead, Mr. Hummel.

Mr. Hummel: Answering this particular man's question—the reason that we're here and the very sober, serious subject that we have

is the question of jobs. Now why should so much time and attention be given to the disposition of some of these surplus buildings until we know whether we have manpower, as Mr. Nelson says, and whether we need those properties to provide jobs.

Now, Mr. Reuther's idea of putting that Willow Run bomber plant into a housing project or a low-cost transportation project isn't worth a darn because it will throw hundreds of other men who are now employed in the industries which are providing those goods, out of work.

Furthermore, the chances are excellent that if the Government tries to run those properties, they'll lose a lot of money—your money and our money. (*Applause.*)

Mr. Reuther: That's just too good to pass up. For one thing, in the best years of our economy, when we had so-called prosperity, a third of our Nation was ill-housed, ill-fed, and ill-clothed. There is a gigantic market at home here that we have never exhausted. Let's bring the cost of good homes within the reach of the third of our Nation whose income has never been sufficient to buy good homes. Let the building-craft workers build from now on out the kind of homes that they've been building of a higher price, and let those that can afford it buy them, but don't rob the third of our Nation of a chance to live in good homes. (*Applause.*)

Mr. Denny: Thank you. Now let's hear the question from this gentleman. Your question, sir?

Man: My question is directed to Mr. Hummel. I'm an aircraft worker. Will the standard of living drop so drastically that \$25 a week compensation will be an inducement to the excellent American worker to be idle?

Mr. Denny: Mr. Hummel, did you get that? (*Applause.*)

Mr. Hummel: No, I didn't get the question.

Mr. Denny: Will the wages drop so low in this country during the period of reconversion that \$25 a week will be attractive to the aircraft worker or any worker? The young man was an aircraft worker. I beg pardon. I'm sorry. I'll get it again.

Man: Will the standard of living drop so drastically that \$25 a week compensation, will that be an inducement to the excellent American worker to be idle?

Mr. Hummel: Well, you talk about the standard of living dropping. The standard of living is based entirely upon the amount of money you have to buy stuff, and, if we can manufacture goods cheap and reduce the cost of living, the money that you get on a peacetime basis will go just as far as the inflated dollars that you got during the wartime basis.

Mr. Denny: All right, thank you, Mr. Hummel. Now over here on the other side of the house here's a man with another question.

Man: I'm an electrician in a rubber factory. I also serve on the War Labor Board as a panel member who hears labor and capital arguments. I have served on panels with Mr. Hummel who is on the platform and speaking tonight. My question is addressed to Mr. Reuther. I would like to know if the organized labor movement leadership generally believes that the Government should take a lead in cooperation with the two major groups in America—industry and labor—in solving this unemployment problem. There is also another question I would like to ask—

Mr. Denny: Let's get through one at a time. Mr. Reuther?

Mr. Reuther: Yes, sir, as far as I know, the major sections of the American labor movement advocate the Federal Government giving leadership in providing maximum employment in the postwar period and favor the passage of the Murray Full Employment Bill. *(Applause.)*

Mr. Denny: All right, thank you. Here's a question for Senator Mitchell.

Man: I would like the good Senator from Washington to answer. There have been some questions asked about money—this one's about money. Would a monetary system, as provided by our Constitution, permit a more speedy and lasting conversion of our economy to provide freedom from want—one of the Four Freedoms. Now I'm specifically referring to the

doctrine that our good Senator from the Twelfth Congressional District, the Honorable Jerry Voorhis, has tried to inculcate in our congressional halls for a number of years.

Mr. Denny: You mean Congressman, please. I know Jerry Voorhis very well, but he's a Congressman. Yes?

Senator Mitchell: I think Congressman Voorhis has done a great deal of very fine work in studying the monetary system. I think, though, that the real problem here is to find a means of making jobs and I think the monetary system will work better if we do have full employment.

Mr. Denny: Thank you. There's a question for Mr. Nelson. Yes, sir.

Man: Mr. Nelson. Do you maintain that there is no saturation point in an age of mass production and technocratic advancement?

Mr. Nelson: I'm sorry, I didn't get that question.

Man: Do you maintain speeding up production and manufacture as a constant factor? Do you maintain that there is no saturation point in an age of mass production and technocratic advancement?

Mr. Nelson: Why, I certainly do, sir.

Mr. Denny: That there's no saturation point in the production of goods. Is that what you mean?

Mr. Nelson: I certainly do, sir. I do maintain that there's no satur-

ation point. There are 1,200,000,000 people in this world that just haven't anything today and if they can find a way to get their standards of living increased just a little bit, just think how many goods they'll buy. It's a question of getting more customers. Saturation point? There may be of certain things. As a whole, I would say no. Not in our lifetime. (*Applause.*)

Mr. Denny: Thank you. Now here's—wait a minute I can't see your sleeve. Is it a sergeant or—

Man: I'm in the Navy.

Mr. Denny: Oh, you're in the Navy. Oh, I beg your pardon, sir. Your rank, please.

Man: I'm a Chief Petty Officer in the Navy. My question is addressed to Mr. Hummel. Mr. Hummel, America surely will owe a job to every one of her ten million servicemen. If America's Government does not guarantee and deliver these jobs, what organization will? (*Applause.*)

Mr. Hummel: Well, I can honestly say to you that every one in industry recognizes a very deep obligation to all the returning servicemen. I am satisfied that industry will provide greater and bigger opportunities for better-paid jobs for the returning servicemen than they've ever had before. I'm satisfied that industry will absorb a great many of these boys coming back. I'm satisfied that they'll have opportunities for their

own businesses and I'm satisfied that there'll be educational advantages provided.

Mr. Denny: All right. Thank you, very much, Mr. Hummel, Mr. Nelson, Senator Mitchell, Victor Reuther, and Donald Kingsley, for your contribution to the first of our series of programs on reconstruction. We have a very glamorous and important program to tell you about for next week, celebrating the anniversary of our sponsorship by *The Reader's Digest*. In the meantime, here's an important message for you.

Announcer: When President Truman announced the news of the Japanese surrender to thousands of Americans, it seemed too good to be true. One man put it this way: "It didn't seem real until the next day when I drove my car into the corner filling station and said, 'Fill 'er up, Bud,' and then I drove away without handing over a single gas coupon."

Yes, we can travel in our cars again, but during the next few months it will be as urgent as it was before the surrender that civilians do not travel unnecessarily by train, plane, or bus. Military traffic will continue to make tremendous demands on our transportation system. So it is particularly important not to travel over the coming week end. You who spend Labor Day in your own communities will be making a welcome gesture in behalf of our re-

turned fighting men and appreciation of the great victory they've won. And now, *The Reader's Digest* returns you to Mr. Denny.

Mr. Denny: Of the three great media of communication, radio, press, and the movies, which one do you think has the greatest influence—actual or potential—on public opinion?

According to recent figures, more than ninety-five million people witness Hollywood movies every week. So next week your Town Meeting has arranged a special program to originate in the Philharmonic Auditorium in Los Angeles on the subject "Should Hollywood Make Pictures De-

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Charming Constance Bennett, film and radio star and producer in her own right, will join Robert Riskin, writer and producer in upholding the affirmative. Sometimes gallant and sometimes villainous, but always highly competent Donald Crisp, the screen actor, and Ben Hecht, writer, will uphold the negative. Prominent Hollywood stars, including the lovely Irene Dunne, who was on our program last May, will be in the audience to take part in this discussion.

Announcer: So be sure to tune in when *The Reader's Digest* brings you Town Meeting next week.



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